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7-19-96

CONTRACT GROWER AGREEMENT
OF
MURPHY FARMS, INC. AND/OR QUARTER M FARMS, INC.
POST OFFICE BOX 759
ROSE HILL, NORTH CAROLINA
doing business as
MURPHY FAMILY FARMS

THIS AGREEMENT, made and entered into this _____ day of _____
199____, by and between MURPHY FARMS, INC. or QUARTER M FARMS, INC.,
North Carolina corporations with their principal office and place of business in Rose Hill,
Duplin County, North Carolina, doing business in the State of South Dakota, under the
name of MURPHY FAMILY FARMS (hereinafter MFF) and whose registered office is

_____, a contract grower whose address is _____

ADDRESS

(hereinafter referred to as

TOWNSHIP

COUNTY

as GROWER) and whose farm is generally referred to as _____

fully described in exhibit "A" hereto

more

RECITALS

WHEREAS, MFF and GROWER intend to contract for MFF to supply and
GROWER to feed swine to market weight, and the parties intend to establish the terms
and conditions of a production agreement for any additional group or groups of swine
placed by MFF and GROWER; and;

WHEREAS, GROWER acknowledges that the swine will at all times remain the
property of MFF who is the owner and that GROWER and MFF have a mutual interest in
the production quality of MFF'S swine.

NOW, THEREFORE, MFF and GROWER mutually agree as follows for and in
consideration of the sum of ONE DOLLAR (\$1.00) and other good and valuable
consideration, the receipt of which is hereby acknowledged, together with the mutual
agreements herein contained.

Section 1. MFF OBLIGATIONS:

Section 1.1 Feeder Pigs. MFF hereby agrees to provide GROWER with feeder
pigs. MFF shall provide transportation for the feeder pigs to and from GROWER'S farm.

Section 2.4 GROWER shall maintain all service and/or access road in a reasonable condition that will enable MFF'S service entrances without causing damage to MFF'S vehicles or causing them to be stuck or non-operable because of adverse road conditions. In the event any of MFF'S vehicles should require the services of a wrecker as a result of the deteriorated condition of any road or service area, GROWER agrees to pay any and all such wrecker bills.

Section 2.5 GROWER shall prepare a mortality report on a daily basis for all swine death losses and shall submit that report to MFF on a weekly basis. GROWER shall maintain and report such other reasonable statistical data and information on a monthly basis as MFF may direct from time to time through manuals and otherwise, including a monthly written report on the month's activities. In addition, GROWER shall dispose of all dead animals in compliance with any State, Federal and/or local laws or ordinances.

Section 2.6 GROWER shall dispose of all animal waste nutrients in compliance with all applicable State, Federal and local ordinances and/or regulations and prevent any nuisance therefrom. GROWER shall implement and maintain an environmental file which would be environmentally compatible for disposal of nutrients and consistent with sound agronomy practices as MFF may specify from time to time or as approved by MFF including but not limited to soil testing to determine soil nutrients. The environmental file shall contain but not be limited to the following documents.

- a. DNR Permit.
- b. Construction Permit.
- c. All Correspondence with Government Regulatory Agencies
- d. Initial Soil Tests
 1. Soil Maps and Fertility Maps
 2. Data Table
- e. Annual or Every Other Year Fertility Test Data Table and Corresponding Fertility Maps
- f. Manure Tests, Annual or Semi-annual
 1. Nutrient Analysis
 2. Amount, Method, and Location Applied
- g. Water Usage Data Table
 1. Amount Used

Section 2.8 GROWER shall provide gates and locks upon the entrance or service roads to the swine facilities as directed by MFF. No swine will be removed from GROWER'S farm without MFF'S permission. GROWER shall further provide for locked buildings, security light and such other reasonable requests that are necessary to maintain security as may from time to time be directed by MFF.

Section 2.9 GROWER shall not own or have possession of, either as agent, producer or otherwise, any swine not owned by MFF. GROWER shall not permit any swine, not owned by MFF and designated for the swine facilities herein contracted for unless permitted in writing by MFF. It is specifically understood and agreed that under no circumstances shall the requirement for written approval be waived. MFF may make such directives and requirements necessary to maintain proper bio-security.

Section 2.10 GROWER shall permit any of MFF'S authorized representatives to enter upon GROWER'S premises at any reasonable time for the purpose of inspection, removal, or any other legitimate purpose of MFF'S swine and GROWER'S facilities.

Section 2.11 GROWER shall provide the necessary labor for the loading and unloading of the feeder pigs and marketable swine but in no event less than two (2) individuals, as well as the medical treatment of the animals with medication, either directly by vaccination or through the feed and/or water systems.

Section 2.12 GROWER does hereby agree to hold and save MFF harmless from all losses, claims, damages, or expenses, including reasonable attorney fees and court costs, resulting from any act of GROWER, GROWER'S employees, representatives, invitees, guests, and agents, or from any omission of GROWER, whether said act or omission was required by law or under the terms of this agreement.

Section 2.13 GROWER shall maintain and renew annual PQA certification or other appropriate quality standards and to administer any animal drugs according to PQA or other quality recommendations.

Section 2.14 GROWER agrees that in the event GROWER shall, for whatever reason, during any time in which it has possession of any MFF'S swine, fail or be unable to perform reasonable animal husbandry practices, or otherwise breach any material part of this agreement, MFF shall be entitled to either (i) remove its swine from GROWER'S facilities, after having first given GROWER notice in writing at least 12 hours in advance. After such notice, and during the interim period MFF'S swine is located upon GROWER'S premises, MFF shall have the right to have a representative supervise the care and maintenance of its swine. (ii) In the alternative, and within the sole discretion of MFF, MFF shall be entitled to leave the swine on GROWER'S facilities until they are ready for marketing, as well as carry out the exclusive care and management of its swine located on

group of feeder pigs at the time of notice of termination, then the agreement will terminate immediately.

Section 4. COMPENSATION:

Section 4.1 The amount due to the GROWER and owed by MFF will be computed and paid quarterly according to an equal quarterly payment schedule. GROWER will be paid a minimum total annual payment per building of _____

_____ (\$ _____/building). These quarterly payments shall be paid on the 15th day of the month providing that the GROWER has furnished to MFF with the required documentation in support of animals received, death loss, animals shipped, feed used, and is in compliance with all other terms and conditions of this agreement.

Section 4.2 GROWER shall be liable for 100% of any inventory shortages. MFF will deduct the value of any missing inventory from the GROWER'S compensation payment. Inventory value will be computed at the greater of cost or market value at the date the shortage is discovered.

Section 4.3 Any bonus compensation, for marketable hogs only, will be paid in accordance with the terms and conditions set forth in Exhibit "B" attached hereto and made a part hereof.

Section 4.4 MFF agrees to compensate GROWER based upon "Accounting Control Group," which shall be computed by 10 consecutive groups as determined by MFF. It is understood that, dependent upon the location of pigs and market readiness of pigs that any one group may be delivered to GROWER facilities over a period of several days as well as removed and marketed at maturity over a period of days. The term "Group" shall mean one house or group of houses at a contiguous location supplied by MFF to GROWER at any one time and accounted for as a group in MFF'S records.

Section 5. DEFAULT:

Section 5.1 In the event of default or breach of contract on the part of the GROWER, MFF reserves the right to:

- a. Give written notice of nonperformance to the GROWER and require performance by a given date. If upon the specified date the nonperformance remains unsatisfied, MFF reserves the right to hire the necessary performance task completed by MFF or an outside party and assess all charges against the GROWER'S quartered compensation payment.

Section 6.7 All notices required under this agreement shall be sent to the parties hereto at the respective addresses below:

MFF _____

GROWER _____

IN WITNESS WHEREOF, the parties have hereunto affixed their hands and seals, or if corporate, have caused its corporate seal to be affixed, the day and year first above written.

MURPHY FAMILY FARMS: _____

MURPHY FARMS, INC.:

GROWER: _____

By: _____

(SEAL)

TITLE: _____

Social Security # _____

or

QUARTER M FARMS, INC.

By: _____

TITLE: _____

EXHIBIT "A"

A parcel of land located in the _____ Quarter, Section _____, Township _____, Range _____ to be more particularly described by land survey by a registered land surveyor. Said description when completed will be substituted herein and marked Exhibit "A".

DATE	AMOUNT	DEBIT	CREDIT	BALANCE
1911	100.00			100.00
1912	100.00			200.00
1913	100.00			300.00
1914	100.00			400.00
1915	100.00			500.00
1916	100.00			600.00
1917	100.00			700.00
1918	100.00			800.00
1919	100.00			900.00
1920	100.00			1000.00
1921	100.00			1100.00
1922	100.00			1200.00
1923	100.00			1300.00
1924	100.00			1400.00
1925	100.00			1500.00
1926	100.00			1600.00
1927	100.00			1700.00
1928	100.00			1800.00
1929	100.00			1900.00
1930	100.00			2000.00